

## **Summary Sheet**

## **Council Report**

Cabinet Decision Making Meeting - 26<sup>th</sup> May, 2016

### **Title**

New Applications for Discretionary Rate Relief

### **Is this a Key Decision and has it been included on the Forward Plan?**

No

### **Strategic Director Approving Submission of the Report**

Judith Badger, Strategic Director, Finance and Customer Services

### **Report Author(s)**

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### **Ward(s) Affected**

All

## **Summary**

To consider the applications made by two registered charitable organisations, Rotherham Rise and Open Minds Theatre Company, for the award of a discretionary business rate relief for the premises listed in the report in accordance with the Council's Discretionary Business Rates Relief Policy (approved 24<sup>th</sup> April 2013).

## **Recommendations**

Cabinet is asked to agree the recommendation to award discretionary business rate relief to Rotherham Rise and Open Minds Theatre Company for the premises listed in this report and in accordance with the details set out in Section 7 to this report.

## **List of Appendices Included**

None

## **Background Papers**

Application forms and supporting documentation have been provided by the applicants

Discretionary Rate Relief Policy - Approved 24<sup>th</sup> April, 2013

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

Applications have been discussed with the relevant Cabinet Member and the Member is supportive of the rate relief being awarded

**Council Approval Required**

Cabinet approval

**Exempt from the Press and Public**

No

## **New Applications for Discretionary Rate Relief**

### **1. Recommendation**

- 1.1 Cabinet is asked to agree the recommendation to award discretionary business rate relief to Rotherham Rise and Open Minds Theatre Company for the premises listed in this report and in accordance with the details set out in Section 7 to this report.

### **2. Background**

- 2.1 Section 47 and 49 of the Local government Finance Act 1988 conveys power on local authorities to allow discretionary relief that would be additional to the mandatory relief. This is given when the property is used wholly or mainly for charitable purposes by a charity or other non-profit body whose main objects are charitable or benevolent or concerned with education, social welfare, science, literature or the arts.
- 2.2 The Council can grant Discretionary Rate Relief to:-
- Registered Charitable Organisations, including Community Amateur Sports Clubs. The relief granted is up to 20% of the rate liability as these organisations are eligible for 80% mandatory rate relief.
  - Other organisations or institutions that are not established or conducted for profit and whose aims are charitable or otherwise philanthropic, religious, concerned with education, social welfare, science, literature or fine arts. Relief can be granted up to 100% of rate liability.
  - Properties occupied by not for profit sports or social clubs, societies or other organisations for the purposes of recreation. Relief can be granted up to 100% of rate liability.
  - Ratepayers experiencing difficulty in paying, where it is in the best interest of its council tax payers to grant Hardship Relief.
  - Rate relief to ratepayers - Section 47 of the LGFA 1988b was amended by Section 69 of the Localism Act 2011. This amendment gives the Council the discretion to grant relief to any other body, organisation or ratepayer, having due regard to its Council Tax payers.
- 2.2.1 Rotherham has operated a system of awarding relief through an application of a policy that was approved by the former Cabinet on 24<sup>th</sup> April 2013.
- 2.2.2 The funding for Discretionary Rate Relief was, until the introduction of the Government's Business Rates Retention Scheme (April 2014), shared with Central Government through the National Non-Domestic

Rate Pool. Local authorities were reimbursed with 25% of the cost of discretionary rate relief granted to charities and Community Amateur sports Clubs, and 75% of the cost of relief granted to other bodies. Now with the localisation of business rates, Central Government and Councils share every £1 of rates due on a 50/50 basis as follows:

Central Government	50%
South Yorkshire Fire and Rescue Authority	1%
Rotherham MBC	49%

### **2.3 Application 1: Rotherham Rise**

2.3.1 Rotherham Rise (formerly Women's Refuge) is a registered charity that provides a range of services for women and children who have been affected by violence and abuse. The Charity currently receives a 20% discretionary rate relief on their existing premises and they are now requesting a similar award of discretionary rate relief in respect of its additional, new premise. The new facility will enable the charity to extend its current service provision to provide women, children and young people to access a range of one to one support, group sessions with regard to prevention and recovery from violence and abuse as well as counselling. Due to the nature of the work undertaken by Rotherham Rise the addresses concerned have been excluded from this report.

2.3.2 Rotherham Rise's application for the award of Discretionary Rates Relief meets the Council's qualifying criteria as set out in its Policy:-

- it is a registered charity that provides access to facilities that is open to all sections of the community; and
- it provides both educational and welfare support and counselling that complements and indirectly helps manage the Council's need to do so.

2.3.3 The Charity is applying for discretionary rate relief backdated to 26<sup>th</sup> October 2015 for the financial year ended 31<sup>st</sup> March 2015 and with regard to its 2016/17 rates liability. The financial implication to the Council of awarding the rate relief is set out in Section 7 of this report.

### **2.4 Application 2: Open Minds Theatre Company**

2.4.1 The Open Minds Theatre Company is a registered charitable arts organisation that delivers workshops, performance and arts projects across a wide variety of art forms in the community to assist in developing and equipping people to lead effective and fulfilled lives by improving confidence, self-esteem and communication skills. It primarily works with disadvantaged groups promoting equality and integration from within the borough.

2.4.2 The Charity moved from its previous premises 77 Wellgate, Rotherham, S60 2LZ in 2014 where it was awarded discretionary rate relief up to 30 October 2014; to 8 Ship Hill, Rotherham, S60 2HG and

they are now requesting a similar award of discretionary rate relief in respect of this new premise.

2.4.3 The Open Minds Theatre Company application for the award of Discretionary Rates relief meets the Council's qualifying criteria as set out in its Policy:-

- it is a registered charity that provides access to facilities that is open to all sections of the community; and
- it provides both educational and welfare support as well focusing on organising and supporting events that promote and enhance community spirit and togetherness.

2.4.4 The Charity is applying for an award of discretionary rate relief backdated to 14<sup>th</sup> September 2015 for the financial year ended 31<sup>st</sup> March 2015 and with regard to its 2016/17 rates liability. The financial implication to the Council of awarding the rate relief is set out in Section 7 of this report.

### **3. Key Issues**

3.1 To consider the applications requesting the award of Discretionary Rate relief with regard to Rotherham Rise and Open Minds Theatre Company.

### **4. Options considered and recommended proposal**

- 4.1 Given the discretionary nature of the relief requested, the Council has the discretion to either award or not award a discretionary rate relief.
- 4.2 In helping Members make such a decision, the Council has put in place a specific Policy framework to consider individual applications. In accordance with that Policy, both applications (including supporting documentation) for relief have been considered and both meet the qualifying criteria and other considerations set out in that Policy.
- 4.3 In addition, it is also noteworthy that the work carried out by both organisations is closely aligned to the Council's own priorities in protecting those most vulnerable and promoting community togetherness and will help the Council and the wider Rotherham Partnership to achieve its ambitions.
- 4.4 The award of any relief to both organisations would represent a continuation of relief to Rotherham Rise and a resumption of relief to Open Minds Theatre Company albeit at an additional cost to the Council of £968.07 in 2015/16 and £1,972.59 in 2016/17. This costs represents 0.004% of the estimated business rates collected in a year.
- 4.5 It is, therefore, recommended that a 20% discretionary rate relief is awarded to both organisations for each of the respective premises that the application was made for; and that the additional financial cost to

the Council in supporting the applications is effectively managed within the financial planning assumptions for the Council's Statutory Collection Fund.

**5. Consultation**

5.1 The applications have been considered by the relevant Cabinet Member and that Member is supportive of the award of relief.

**6. Timetable and Accountability for Implementing this Decision**

6.1 The applicants will be advised by letter on the outcome of their application for relief within 10 working days of the Cabinet decision.

**7. Financial and Procurement Implications**

7.1 The total cost of granting the relief for both 2015/16 financial year and 2016/17 is set out below in the table at paragraph 7.2 alongside the specific cost to the Council.

7.2	Organisation	Year	Amount of Relief	Cost to RMBC
	Rotherham Rise	15/16	£ 776.81	£ 380.64
		16/17	£1,814.05	£ 888.88
	Open Minds	15/16	£1,198.83	£ 587.43
		16/17	£2,211.65	£1,083.71
	<b>Cost to RMBC</b>	<b>15/16</b>		<b>£ 968.07</b>
		<b>16/17</b>		<b>£1,972.59</b>

**8. Legal Implications**

8.1 No direct implications from this report

**9. Human Resources Implications**

9.1 No direct implications from this report

**10. Implications for Children and Young People and Vulnerable Adults**

10.1 No direct implications from this report

**11. Equalities and Human Rights Implications**

11.1 No direct implications from this report

**12. Implications for Partners and Other Directorates**

12.1 No direct implications from this report

### **13. Risks and Mitigation**

- 13.1 The Government has issued guidance notes to advise Authorities what criteria should be used in considering applications for Discretionary Rate Relief. Authorities have been strongly advised to treat each individual case on its own merits and do not adopt a policy or rule which allows them to not consider each case without proper consideration. In cognisance of these guidance notes, the Council has formally adopted a Policy framework for considering individual discretionary rate relief applications with the decision to award reserved for Cabinet.

### **14. Accountable Officer(s)**

Approvals Obtained from:-

Stuart Booth, Assistant Director, Finance

Dermot Pearson, Assistant Director, Legal Services

Head of Procurement - Not Applicable

Rachel Humphries, Operational Manager, Local Taxation

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